(b) if so, the details thereof;

(c) if not, the reasons for not releasing the funds; and

(d) by when the funds are likely to be released?

THE MINISTER OF STATE OF THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (MAJOR GENERAL (RETD.) B.C. KHANDURI): (a) and (b) NH-54 in Assam is newly declared National Highway. Development of this NH will be taken up in phases based on the feasibility report to be prepared by the State PWD. As an interim measure, urgent improvement works amounting to Rs. 5.57 crore had been sanctioned during the last finanical year. In the current Annual Plan, proposals for widening of 10 km length at a cost of Rs. 4.50 crore and reconstruction of a culvert at a cost of Rs. 22.00 lakh have been made. Periodic renewal for 20 Km. length of the NH has been sanctioned for an amount of Rs. 124.21 lakh. This will improve about 50 Km. length of the NH. The funds are released to the State for the sanctioned works as per the requirement.

(c) and (d) Do not arise.

Market survey for software export

*62. SHRI B.J. PANDA: Will the Minister of INFORMATION TECHNOLOGY be pleased to state:

(a) whether Government have conducted any market survey in the country and abroad on software export;

(b) if so, the result and the projection made thereon; and

(c) the details of the steps taken to increase the export of software?

THE MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): (a) and (b) While the Government has not conducted any such survey, National Association of Software and Services Companies (NASSCOM) in association with Mckinsey had prepared a study report in 1999 on the Indian Information Technology Strategies. As per the report, by 2008, the opportunity

for India's software and services sector is US $87 billion, including export of US $50 billion, as per details given below:—

	Total Market	Exports
IT Services	$38.5 billion	$23 billion
Software Products	$19.5 billion	$8 billion
IT Enabled Services	$19.0 billion	$15 billion
E-Business	$10.0 billion	$4 billion
TOTAL:	$87.5 billion	$50 billion

(c) The list of incentives provided to the software industry to increase the exports of software is given as Statement enclosed.

Statement

Incentives for Software Sector

1. Export Promotion Capital Goods scheme (EPCG) has been rationalised and extended uniformly to all sectors without any threshold limit on payment of 5% duty.
2. Approvals for all foreign direct investment proposals relating to the Information Technology sector, with the exception of Business-to-consumner (B2C) e-commerce are under the automatic route.
3. Software Technology Park (STP) Scheme is implemented under the aegis of the Ministry of Information Technology through a single window mechanism of the Inter-Ministerial Standing Committee (IMSC).
4. DTA access upto 50% of the FOB value of export is permitted for software under EOU/ EPZ/STP schemes.
5. Accelerated depreciation norms for computers and computer peripherals for units under Export Oriented schemes (EOU/EPZ/STP/EGIP) have been enhanced. These shall stand depreciated to overall limit of 90% over a period of 3 years instead of around 5 years earlier.
6. In the 2000-01 Budget, Customs duty on computers and Peripherals had been reduced from 20% to 15% and continues to be same. The Customs duty on all storage devices, integrated circuits, miscroprocessors, data display tubes and deflection components of colour monitors also continues at 0%. In the 2001-02 Budget, Customs duty on Information

Technology Agreement (ITA-1) items of WTO (IT and Telecom products) has been reduced from existing 20-25% to 15%.

7. Information Technology Software is exempted from Customs and Excise Duty.

8. EOU/EPZ/STP/EHIP units exempted from payment of Income Tax on export profits, upto 2010, in terms of Section 10A and 10B of the Income Tax Act. On site development of computer software and services will also be eligible for tax exemption.

9. Definition of Computer Software, as in Section 80 HHE of the Income Tax Act has been widened to include transmission of data.

10. Benefit of Section 80 HHE is available to supporting software developers.

11. It Enabled Services have been made eligible for Income Tax benefit under Sections 10A, 10B and 80HHE of the Income Tax Act.

12. A National Venture Fund for Software and IT Industry (NFSIT) has been set up with a corpus of Rs. 100 crores, out of which MIT shall contribute Rs. 30 crores.

13. Exemption of withholding tax on interest on External Commercial Borrowings (ECBs) has been extended to the IT sector.

14. Income by way of dividends or long-term capital gains of a Venture Capital Funds or Venture Capital company from investment made by way of equity shares in a Venture Capital Undertaking, which has been expanded to include the Software and IT sectors, will henceforth not be included in computing the total income.

15. To give thrust to Venture Capital finance, SEBI has been made the single point nodal agency for registration and regulation of both domestic and overseas venture capital funds.

16. There will be no tax on distributed or undistributed income of Venture Capital Funds. The income distributed by the VCFs will only be taxed in the hands of the investors at the rates applicable to the nature of the income. VCFs will continue to be eligible for exemption even if the shares of the VC undertaking in which the VCFs have made the initial investment are subsequently listed in a recognised stock exchange in India.

17. Under policy on portfolio investment, Foreign Institutional Investors (FIIs) are permitted to invest in a company upto an aggregate of 24% of equity shares, extendable upto 40% subject to approvals. This limit has been raised from 40% to 49% in the Budget 2001-02.

18. Under the Employee Stock Option Scheme, income tax payable on income from GDRs purchased in foreign currency by a resident employee of IT software and service companies, shall be at a concessional rate of 10%.

19. Tax holiday under provisions of Section 80-IA (Infrastructure Status) has been extended to Internet Service Providers (ISPs) and Broadband Network providers.

20. Two-way fungibility has been permitted for ADRs / GDRs. Local shares can now be reconverted into ADRs / GDRs, subject to sectoral caps.

21. To induce more investment for R&D activities, a weighted deduction of 125% on the sums paid to any university, college or an institution or a Scientific research association for the purposes of scientific, social or statistical research has been provided.

22. Information Technology Act 2000 has been enacted. This act deals with Cyber Security, Cyber Crime and other information security related legal aspects. This will encourage expansion of e-commerce through internet.

23. Software Technology Parks of India (STPI) has set up a business support centre in the USA, which is operational since November, 1999, to promote business for STP units and provide marketing support to SMEs.

Discussion about US National Missile Defence System with Russia

*63. DR. KARAN SINGH: Will the MInister of EXTERNAL AFFAIRS be pleased to state:

(a) whether during the recent visit of Russian Foreign Minister to New Delhi, Government discussed its stand generally welcoming the US President's plan to deploy National Missile Defence (NMD) system;

(b) if so, the Russian stand thereto and outcome of the discussions in regard to the impact of the NMD Plan on World Peace and the Non-Proliferation regime; and

(c) whether the US statement in question has added that the US has no intention of taking an unilateral decision and intends to holds consultations with Russia, China and India?